

MFS-I appears to have proposed their CCLC and RIC in order to recover costs not recovered in end-user retail rates. If this is indeed the case, then it would appear that MFS-I is seeking to employ its bottleneck control over access to its end users to subsidize its end user rates. MFS-I was granted virtually unlimited pricing flexibility for competitive retail services, and chose to price these services below comparable BA-Maryland rates. MFS-I is now attempting to recover a "shortfall" through charges to captive LEC and IXC customers who must use the MFS-I "bottleneck" facility to terminate calls to MFS-I end user retail customers. (MFS-I's CCLC is an especially onerous charge because, unlike BA-Maryland's CCLC, MFS-I's is uncapped. This would result in a potentially unlimited revenue stream.)

To the extent that this Commission authorizes MFS-I to charge a CCLC and RIC, these revenues should flow to BA-Maryland as the ubiquitous universal service provider.

Transport — Entrance Facility Speeds

MFS-I proposes to tariff only DS1 and DS3 entrance facility and direct trunked transport. MFS-I should at a minimum offer voice grade (especially when volumes are low in its start-up phase as MFS-I so frequently claims) so that interconnecting carriers are not required to pay for capacity that they do not require. MFS-I should also be required to file DS3 rates rather than individually pricing each facility.

Number Portability

MFS-I has omitted any provision for number portability in its tariff, despite its earlier agreement to do so. In both the Co-carrier Compliance Report (dated 6/24/94, at page 33) and the subsequent Progress Report (dated 9/1/94, at page 10), MFS-I agreed to provide "reciprocal number retention" using Flex-DID service. MFS-I customers wishing to change local providers to BA-Maryland, MCI-Metro or TCG should have the option of number retention. Given MFS-I's adamant stand on the importance of number portability, the Commission should require MFS-I to include a number portability offering as part of its tariff for Switched Access Services to other carriers.

Conclusion

BA-Maryland believes that MFS-I should be permitted to recover the incremental cost of terminating traffic plus a reasonable return in its interconnection rate. It is clear that MFS-I is instead seeking a generalized subsidy for its operations through this critical rate. BA-Maryland is confident that MFS-I could — if it chose to do so —

complete a simple, low-cost and appropriate incremental cost study to support its interconnection rate.

Completing this study need not delay MFS-I's entry into business. If MFS-I believes it cannot abide by the Commission's initial designation of an zero cent interim interconnection rate, there are alternatives. For instance, a cost study-based interconnection rate -- at least two of which have been provided to the Commission over the last year -- could be imposed as a surrogate until MFS-I completes the costing work the Commission instructed it to make last April. In order to properly incent MFS-I to complete its study, it should be permitted to recover no more than the surrogate cost until the Commission approves its interconnection rate.

BA-Maryland respectfully requests that the Commission modify MFS-I's proposed tariff consistent with the objections set out above.

Sincerely,

David K. Hall

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cc: Chairman Frank O. Heintz
Commissioner Claude M. Ligon
Commissioner E. Mason Hendrickson
Commissioner Susanne Brogan
Commissioner Gerald L. Thorpe
All Parties of Record
All Interested Persons

CERTIFICATE OF SERVICE

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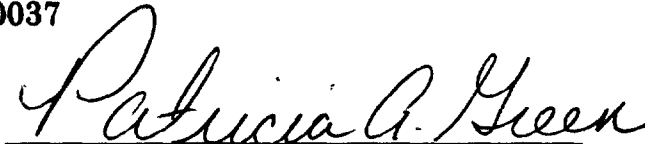
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